

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

**INFORMAL SESSION
December 4, 2006**

The Board of Supervisors of Maricopa County Arizona convened in Informal Session at 10:00 a.m., December 4, 2006, in the Board of Supervisors' Conference Room, 301 W. Jefferson, Phoenix, Arizona, with the following members present: Don Stapley, Chairman, District 2; Fulton Brock, Vice Chairman, District 1 (entered late), Andrew Kunasek, District 3, Max W. Wilson, District 4 and Mary Rose Wilcox, District 5 (entered late). Also present: Fran McCarroll, Clerk of the Board; Liz Evans, Administrative Coordinator; David Smith, County Manager; and Vicki Mangiapane, Deputy County Attorney. Votes of the Members will be recorded as follows: aye-nay-absent-abstain.

2006 HEALTH AT WORK SILVER AWARD

Item: Presentation of the "2006 Health at Work Silver Award" by ComPsych to Maricopa County for its wellness program's comprehensiveness, delivery, promotion, participation rates and results achieved. (C3507009900) (ADM650-001)

Adrienne Smith, ComPsych, Employee Assistance Plan Provider

Chairman Stapley introduced Adrienne Smith and recognized Pat Vancil, Manager, Employee Benefits.

~ Supervisor Wilcox entered the meeting ~

Adrienne Smith commented that ComPsych was very proud of it's partnership with the County. Ms. Smith stated that the "Health at Work Award" recognizes organizations that promote health and wellness in the workplace. She commented on several of the programs that Maricopa County promotes through the Employee Benefit Program.

~ Supervisor Brock entered the meeting ~

Ms. Smith said that the award was to recognize the hard work of Pat Vancil and the Employee Health Initiatives team. The Board members joined Ms. Smith in congratulating Pat Vancil for the award-winning programs she directs.

2007 BOARD OF SUPERVISORS' LEGISLATIVE PACKAGE

Item: Presentation, and request for approval, of the proposed 2007 Board of Supervisors' legislative package. (C2007030M00) (ADM1650)

Diane Sikokis, Director, Government Relations

Richard Bohan, Legislative Liaison

Christian Stumpf, Federal Relations and Grants Analyst

Dianne Sikokis gave an overview of the post-election composition of the State House and Senate, as well as some predictions regarding the legislative landscape over the coming year. Rick Bohan presented proposed legislative priorities for the County:

- Assure that transportation dollars are secured for the Maricopa region.
- Continue to explore permanent solutions to mandated county health care contributions.
- Assume Judge/JP salaries in exchange for reduction in AHCCCS contribution (approximately \$8 million).

Supervisor Wilson commented that transportation money needs to be directed to many roads in the County, not just freeways.

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Ms. Sikokis reviewed the following priority budget items:

- Funding for expansion of the Sheriff's ALPHA program, possibly to juveniles and further expansion of adult programs.
- Funding for the Arizona Meth Project.
- Identify permanent funding mechanism for Air Quality Programs.
- Explore financial assistance for Human Services Campus Day Resource Center.

Ms. Sikokis listed proposed statutory items:

- Alternative Jury Selection Processes
- Pest Abatement Special District
- Powers and duties of County Medical Examiners
- Law Enforcement Special District
- Membership requirements for Planning Commission
- Continue Waste Tire Program, Fund and Fee
- Revisions to Constable Ethics Committee
- Increase Document Storage & Retrieval Fund Fee
- Joint Legislative Committee on Accommodation Schools
- Transitional Supportive Housing

Supervisor Kunasek stated that he wanted to know more about the transitional housing issue.

Christian Stumpf reported on the current makeup of the federal legislature following the last election. Mr. Stumpf summarized that based on the new congressional configuration, it is unlikely that any 2007 appropriations bills will be heard before January.

Motion was made by Supervisor Brock, seconded by Supervisor Kunasek, and unanimously carried (5 – 0) to approve the 2007 Board of Supervisors' legislative package.

FY 2007-08 BUDGETING FOR RESULTS GUIDELINES AND PRIORITIES

Item: Approve the Budgeting for Results Guidelines and Priorities for FY 2007-08 that provide direction from the Board of Supervisors to the Office of Management and Budget and all departments so that a structurally balanced budget is developed for the upcoming fiscal year. (C4907017800) (ADM1826)

Sandi Wilson, Deputy County Manager
LeeAnn Bohn, Deputy Budget Director
Christopher Bradley, Deputy Budget Director
Brian Hushek, Deputy Budget Director

Sandi Wilson shared some tax and growth projections for the next fiscal year. She stated that staff expects to recommend a reduction to the primary tax rate. Ms. Wilson stated that the County is close to the constitutional expenditure limitation, which allows annual increases equal to the combined rate of increase in population and inflation, about 7% for fiscal year 2007 – 2008.

Christopher Bradley reviewed some strategies for dealing with the expenditure limitation, such as limiting the operating budget growth to the population plus inflation or less, and applying excess growth in

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operating revenues to one-time items such as capital improvements which are outside the expenditure limitation.

LeeAnn Bohn reported that most of the current round of market salary adjustments will be completed by the end of fiscal year 2006 – 2007. Going forward, Ms. Bohn recommends planning 3.5% average performance-based salary increases into base budgets, with Board direction necessary for increases beyond that. Specific priorities for funding including Criminal Justice, Public Health, and IT issues were also reviewed by Ms. Bohn.

Brian Hushek stated that the current capital improvement projects and any additional projects as directed by the Board will continue to be funded. Mr. Hushek said they will continue to identify opportunities where funding can be applied to the Capital Improvement Program.

Motion was made by Supervisor Brock, seconded by Supervisor Kunasek, and unanimously carried (5 – 0) to approve the Budgeting for Results Guidelines and Priorities for FY 2007-08. (C4907017800) (ADM1826)

**BOARD OF SUPERVISORS, SITTING CONCURRENTLY AS THE BOARD OF DEPOSIT,
CONSIDERED THE FOLLOWING IN OPEN SESSION**

INVESTMENT POOL REPORTS

Item: Review reports from the Treasurer regarding:

- Negative balances in any funds in the investment pool.
 - The use by any entity of the lines of credit approved by the Board of Supervisors.
- (ADM1811)

David Schweikert, Maricopa County Treasurer

Steven Partridge, Deputy Maricopa County Treasurer

Instruction to the Treasurer regarding the accounts referenced in Agenda Item No. 4 on the Informal Agenda dated December 4, 2006. (ADM1811)

Steven Partridge presented a bank report regarding lines of credit for a number of special taxing districts, and explained how lines of credit are issued by Bank of America against forthcoming property tax revenues for the various districts. Mr. Partridge explained when districts exceed their line of credit, the Treasurer's office basically buy the warrants and charges a commensurate rate of interest. Regarding the accommodation school district, he said that approximately \$975,000 had been wired into the account by the State the previous Friday. Mr. Partridge went on to say that there is still a legal dispute with part of the court order regarding previous years deficits.

David Schweikert reviewed the process involved when districts are close to exceeding their credit limitation. Mr. Schweikert explained that once a district has exceeded the Bank of America credit line, the County then paid the warrants because the money would be replaced soon through property taxes. Mr. Schweikert said the accommodation schools are the exception to this process because they do not receive property tax revenues, and therefore, have no line of credit.

Chairman Stapley stated that the Board is concerned about jeopardizing the County's statutory responsibility by loaning money without credit behind it. Mr. Schweikert replied that he believes he has the constitutional authority to determine how funds are invested, but said that he has no problem working with the Board to develop some protocols as to how that happens.

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Supervisor Wilson commented that if the same district repeatedly exceeds their credit limit, the policies need to be changed. He then asked Mr. Schweikert to provide a copy of the Treasurer's policies and a written report.

Supervisor Wilcox asked how the accommodation school district would be able to pay their debt if they have no property tax base. Mr. Schweikert said that would be up to the newly appointed school board. Supervisor Brock said that he has concerns about the Treasurer's pool. Mr. Schweikert responded by saying that he thought the Board would feel safer once they had an opportunity to review their policies.

Both Supervisor Brock and Supervisor Stapley stated that they felt that the Treasurer should never exceed the line of credit. Mr. Schweikert again stated that he believed the Board would be satisfied once they reviewed the written policies, and that he had no problem working with the Board.

EXECUTIVE SESSION

Motion was made by Supervisor Kunasek, seconded by Supervisor Brock, and unanimously carried (5-0) to recess and reconvene in Executive Session in the Tom Sullivan Conference Room to consider items listed below, pursuant to listed statutory authority, as follows.

LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION – ARS §38-431.03(A)(3) and (A)(4)

Compromise Case – Barbara Caldwell, Outside Counsel
Chaves, Jaime

Write-Off Cases – Barbara Caldwell, Outside Counsel
Sheriff's Uncollectible Accounts

SETTLEMENT DISCUSSIONS CONDUCTED IN ORDER TO AVOID OR RESOLVE LITIGATION – ARS §38-431.03(A)(4)

Kelly L. Leaming adv. Maricopa County, Maricopa County Medical Examiner's Office
Mary C. Cronin, Deputy County Attorney
Betty Adams, Office of Medical Examiner Department Director, **did not attend**
Jean Bowman, Risk Management Claims Adjuster
Ted Howard, Risk Management

LEGAL ADVICE; PURCHASE, SALE OR LEASE OF REAL PROPERTY – ARS §38-431.03(A)(3) and (A)(7)

Real Property Purchase – (downtown property, Location A)
Tom Manos, Chief Financial Officer, **did not attend**
Dennis Lindsey, Manager, Real Estate Services
William Riske, Deputy County Attorney
Brian Hushek, Deputy Budget Director

LEGAL ADVICE; PURCHASE, SALE OR LEASE OF REAL PROPERTY – ARS §38-431.03(A)(3) and (A)(7)

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Real Property Purchase – (downtown property, Location B)

Tom Manos, Chief Financial Officer, **did not attend**
Dennis Lindsey, Manager, Real Estate Services
Steve Connor, Facility Management Director
William Riske, Deputy County Attorney
Debbie Abele, Consultant, **did not attend**
Robert Roble, Consultant

Victoria Mangiapane left the meeting at this time and Dean Wolcott entered the meeting as outside counsel to the Board.

BOARD OF SUPERVISORS AND BOARD OF SUPERVISORS SITTING AS THE BOARD OF DEPOSIT

LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION – ARS §38-431.03(A)(3) and (A)(4)

Dowling v. the Board of Supervisors CV2006-052611, Counterclaim and Third Party Claim.

Tom Irvine, Outside Counsel
Rebekah W. Francis, Outside Counsel
Sandi Wilson, Deputy County Manager
Tom Manos, Chief Financial Officer, **did not attend**
Shelby Scharbach, Deputy Chief Financial Officer
Brian Hushek, Deputy Budget Director
LeeAnn Bohn, Budget Manager
Shawn Nau, Director, Health Care Mandates
Ross Tate, County Auditor
Chiefs of Staff Bloom, Candland, Latto, Isham, Leija

LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION; CONTRACTS SUBJECT TO NEGOTIATION – ARS §38-431.03(A)(3) AND (A)(4)

Advice regarding legal issues and options concerning County Regional School District/Accommodations School funding, financial matters, management issues/Treasurer related management, investment and financial issues.

Tom Irvine, Outside Counsel
Rebekah W. Francis, Outside Counsel
Sandi Wilson, Deputy County Manager
Tom Manos, Chief Financial Officer, **did not attend**
Shelby Scharbach, Deputy Chief Financial Officer
Brian Hushek, Deputy Budget Director
LeeAnn Bohn, Budget Manager
Shawn Nau, Director, Health Care Mandates
Ross Tate, County Auditor
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LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION; CONTRACTS SUBJECT TO NEGOTIATION – ARS §38-431.03(A)(3) AND (A)(4)

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Advice regarding legal issues and options concerning Treasurer-related management, investment and financial issues arising from or discovered in the County Regional School District/Accommodations School matters.

Tom Irvine, Outside Counsel
Rebekah W. Francis, Outside Counsel
Sandi Wilson, Deputy County Manager
Tom Manos, Chief Financial Officer, **did not attend**
Shelby Scharbach, Deputy Chief Financial Officer
Brian Hushek, Deputy Budget Director
LeeAnn Bohn, Budget Manager
Shawn Nau, Director, Health Care Mandates
Ross Tate, County Auditor
Chiefs of Staff Bloom, Candland, Latto, Isham, Leija

MEETING ADJOURNED

At the conclusion of discussion on the above items and there being no further business to come before the Board, the meeting was adjourned.

ATTEST:

/s/ Don Stapley, Chairman of the Board

/s/ Fran McCarroll, Clerk of the Board